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No. 83-1839

In the Supreme Court of the United States

October Term, 1983

RAILROAD DYNAMICS, INC.,
Petitioner,

v.

A. STUCKI COMPANY
Respondent.

Brief In Opposition To Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

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QUESTIONS PRESENTED

1. In a jury trial in which a patent's validity is contested, is it mandatory to submit special interrogatories in the nature of the factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1 (1966) to the jury when such submission is not required by the Federal Rules of Civil Procedure, the decisions of the Court of Appeals for the Third Circuit in which Circuit the case was tried, the decisions of subsequently created Court of Appeals for the Federal Circuit or the decisions of this Court?

2. In a case contesting a patent's validity, does the introduction of prior art alleged to be more pertinent than the prior art cited by the Patent Examiner *per se* adversely affect the presumption of validity (35 U.S.C. § 282) or, as held by the Court of Appeals for the Federal Circuit, does such alleged more pertinent prior art only constitute evidence relating to the patent challenger's duty to meet his burden of proof?

3. After a jury trial in which extensive testimony and documentary evidence was introduced by each party as to the validity of the patent in suit and the patent was held valid and the District Court denied Petitioner's post-trial motions, was the Court of Appeals for the Federal Circuit required to review the evidence introduced by Petitioner *de novo* and make an independent determination of the patent's validity without regard to the jury verdict in favor of Respondent and post-trial decision of the District Court denying Petitioner's motion for judgment NOV or for a new trial?

IDENTIFICATION OF AFFILIATE OF RESPONDENT

None.

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Brief In Opposition To Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

Respondent respectfully requests that this Court deny the Petition for Writ of Certiorari seeking review of the United States Court of Appeals for the Federal Circuit's ("CAFC") decision in this case. That decision is recorded at 727 F.2d 1506 (CAFC 1984) and Appendix A, pages A-1 through A-33 of the Petition. The Order of the CAFC denying Petitioner's Petition for Rehearing and Suggestion for Rehearing *En Banc* and the Mandate are recorded at Appendix A, pages A-76 through A-77. The decision of the United States District Court for the Eastern District of Pennsylvania denying petitioner's post-trial motions is recorded at 579 F.Supp. 353, 218 U.S.P.Q. 618 (E.D. Pa. 1983) and Appendix A, pages A-34 through A-75.[1]

[1]Pages of the Petition are cited as "P. 5". Pages of the Petitioner's Appendix are cited as "A-1, A-2 . . . ". Pages of Trial Transcripts in the District Court which are not included in Petitioner's Appendix are cited as "T. 3.37-38". This refers to Volume 3, pages 37-38.

CONSTITUTIONAL PROVISIONS, STATUTES AND RULES INVOLVED

Amendment 7

Trial by jury in civil cases.

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.

STATEMENT OF THE CASE

The Petition for a Writ of Certiorari is simply a third attempt to obtain a *de novo* review of Petitioner's evidence as to the validity of the patent in suit. The case does not involve a departure from the "accepted and usual course of judicial proceedings", or important questions of federal law not yet settled by the Supreme Court or a conflict with its own decisions to be resolved. Although Respondent agrees with Petitioner's Statement of the Case, except for Petitioner's characterization of its proposed interrogatories, the Statement is incomplete with respect to understanding the conduct of the trial and the issues.

A. The Trial Presented Conflicting Evidence And Issues Of The Credibility Of Witnesses That Were Resolved Against Petitioner And In Favor Of Respondent

Since Petitioner admitted infringement, Petitioner relied upon numerous defenses to establish the invalidity of the patent in suit by introducing substantial testimony through numerous witnesses and numerous exhibits. Similarly, Respondent introduced substantial testimony through various witnesses and numerous exhibits. The credibility of witnesses was an important issue; and, the

various issues were hotly contested issues as acknowledged by Petitioner (P. 6). At the close of the evidence, the law was explained to the jury precisely as set forth in *Graham v. John Deere*, after Petitioner participated in a lengthy consideration of the wording of interrogatories to be submitted to the jury (T. 14. 2-23) and the instructions to be given to the jury (T. 13.86-13.130). With regard to the instruction concerning the presumption of validity, Petitioner stated that the proposed instructions were fine and thanked the District Court Judge. (T. 14.23) Petitioner has not alleged that there was any error in the jury instructions; and, as noted by the CAFC, what is considered to be a few errors in the instructions were favorable to Petitioner (A-17).

Underlying Petitioner's attack on the use of interrogatories is Petitioner's contention that Petitioner need only establish patent invalidity by a "preponderance" of the evidence after the Petitioner had introduced prior art not cited by the Patent Examiner which Petitioner contended was "more pertinent". But neither the jury, District Court nor appeals court agreed with Petitioner that its uncited prior art was more pertinent. Thus, Petitioner's contention as to its burden of proof is based upon prior art held not to be more relevant than that cited by the Patent Examiner—a fact which Petitioner chooses to ignore.

B. Factual Background.

Petitioner includes a separate section in its Petition entitled, "Factual Background"; however, all of Petitioner's statements regarding the elements of the patent claims are not factual matters but are restatements of Petitioner's contentions which were rejected by the jury, the District Court and the CAFC. Such contentions of Petitioner will be discussed hereinafter.

C. Reasons for Not Granting the Writ.

The Petition should not be granted since the reasons for granting the Writ advanced by Petitioner relate to matters which are well settled and about which there is no controversy, and further review by the Supreme Court would not change the result in this case.

SUMMARY OF THE ARGUMENT

The true reason for the Petition is to obtain a fact finding redetermination by the Supreme Court favorable to Petitioner after having failed to convince the jury, District Court and CAFC to adopt Petitioner's contentions as to the facts. It goes without saying that a case should not be before the Supreme Court for such reason, hence Petitioner has advanced issues of alleged public importance: (1) should factual interrogatories in patent cases be made mandatory, (2) should the legally presumed validity of a patent be adversely affected or cease when uncited prior art is offered into evidence by the challenger and (3) is an Appellant to the CAFC entitled to have its evidence introduced at trial in the district court considered *de novo* by the CAFC without regard to the jury verdict and decision of the District Court?

Petitioner contends that the CAFC has decided these issues inconsistently or in conflict with prior decisions of other Circuit Courts of Appeal but an examination of the cases does not support Petitioner's statements. A fair reading of the decisions of the CAFC makes it clear that in all instances the Court has applied well accepted legal principles to the facts and that there is no reason for further review of this case. Prior decisions of other Circuit Courts of Appeal which may be in conflict are not binding on the CAFC and the decisions of the CAFC are not in conflict with any decision of the Supreme Court.

ARGUMENT: REASONS FOR DENYING THE PETITION

A. Neither the Federal Rules of Civil Procedure Nor Decisional Rules Mandate that in a Patent Validity Trial a Jury Must in All Cases Respond to Detailed Interrogatories

As is evident in the numerous decisions in patent cases subsequent to the holding of *Graham v. John Deere, supra,* the federal courts have, through proper instructions, required a jury to make the factual determinations set forth in *Graham v. John Deere* in determining obviousness under 35 U.S.C. § 103. The mandate of *Graham v. John Deere* is that the factual determinations be made in deciding obviousness; however, nowhere in *Graham v. John Deere* is it mandated that a jury must respond to special interrogatories directed to each of the *Graham v. John Deere* factual inquiries.

Petitioner does not contend that the special interrogatories employed by the District Court[2] were an abuse of discretion nor does Petitioner contend that special interrogatories in the nature of the factual inquiries set forth in *Graham v. John Deere* are mandatory. Petitioner's only contention is that since special interrogatories to such factual inquiries are recommended by the CAFC, this Court should determine:

> When is it necessary to submit to the jury interrogatories or special verdicts seeking answers in writing to the *Graham* inquiries, and when is it unnecessary to do so?

---

[2]In May/June 1980 when the case was tried on the validity issue, the CAFC did not exist and the District Court was under the jurisdiction of the Court of Appeals for the Third Circuit. The Third Circuit did not require the use of interrogatories. To adopt Petitioner's contention would require retrospective application of procedural rules.

(P.16)

In particular, Petitioner does not request any relief once this Court has decided when special interrogatories are necessary or unnecessary but only that this Court provide guidance for all future patent jury trials. (P.16) Thus, Petitioner does not set forth any basis to reverse the judgment of the CAFC.

Petitioner supports its request for this Court's clarification of when such special interrogatories are to be used by stating (P.8) that confusion exists by the conflicting decisions of two separate panels of the CAFC: one, in *American Hoist & Derrick Co. v. Sowa and Sons, Inc.*, 725 F.2d 1350 (CAFC 1984), and in the instant case. However, a reading of *American Hoist, supra,* establishes that the holding in that case is consistent with the holding in the instant case. Both these cases clearly state that such special interrogatories are desirable, but neither case mandates such special interrogatories.

In *American Hoist,* the CAFC panel clearly stated that the form of a jury verdict is normally a matter of discretion with the trial court and, as noted by one court, the failure to utilize such special interrogatories in a patent case places a heavy burden of convincing the reviewing court that the trial judge did not abuse his discretion. The *American Hoist* court continued by stating that, "The use of special interrogatories, as noted by the Fifth Circuit, id., facilitates appellate review . . .".

Further, in *American Hoist,* the trial judge stated that he was guided by the jury's findings in determining obviousness under 35 U.S.C. § 103. However, as pointed out by the CAFC, there were no express findings by which the District Court could have been guided. The *American*

Hoist court specifically set forth that the actions of the District Court should be compared to the procedure in which there was an independent review of the record by a District Court. *Cf. Control Components, Inc. v. Valtek, Inc.*, 609 F.2d 763, 768-69 (5th Cir. 1980).

Thus, although the *American Hoist* court recommended the *Graham v. John Deere* type of special interrogatories upon a new trial in order to facilitate review by both the District Court and the appellate court, *American Hoist*, did not mandate that special interrogatories must be utilized or otherwise its review would be precluded. The *American Hoist* court did not render any decision with respect to a district court judge who independently reviews the record to determine whether competent substantial evidence exists to support a jury's findings on the *Graham v. John Deere* factual inquiries.

In the instant case, the CAFC panel was in full accord with the *American Hoist* panel. Specifically, the CAFC stated (A-14) that:

> District courts have broad authority and discretion in conrolling the conduct of a trial. That authority extends to the form by which juries return verdicts, Fed.R.Civ.P. 49, and will not be interfered with unless an abuse of discretion is shown. *See Hammerquist v. Clarke's Sheet Metal, Inc.*, 658 F.2d 1319, 1322-23, 212 USPQ 481, 483 (9th Cir. 1981), *cert. denied sub nom. Carsonite International Corp. v. Carson Mfg. Co.*, 103 S. Ct. 1499 (1983); *Tights, Inc. v. Acme-McCrary Corp.*, 541 F.2d 1047, 1061, 191 USPQ 305, 314-15 (4th Cir.), *cert. denied sub nom. Kayser-Roth Corp. v. Tights, Inc.*, 429 U.S. 980 (1976). RDI has not shown that the use of the present "interrogatories" constituted an abuse of discretion requiring a new trial in this case.

The CAFC further stated (A-17) that:

> Failure to submit detailed fact interrogatories will not in every case result in the need for a new trial. Rule 49, Fed.R.Civ.P. The practice is nonetheless strongly recommended as an appropriate means of guiding a jury, increasing the reliability of its verdict, and facilitating the judicial role following a jury trial.

Thus, both the Court in *American Hoist* and in the instant case have held that *Graham v. John Deere* type special interrogatories, although desirable, are not essential in a patent case. The lack of special interrogatories, as has been noted by the CAFC, may place a heavier burden on the victor in sustaining the decision of the District Court, but, here, Petitioner can hardly complain that a heavier burden was upon Respondent.

Notwithstanding Petitioner's statements at page 10 of the Petition, the instant case did not come to the CAFC in the same posture as *American Hoist*. The District Court in the instant case devoted a substantial portion of its decision to the issue of "obviousness" (A-44 through A-54) and concluded (A-54):

> For all of the above reasons, it is this Court's finding that, had it been sitting in this case without a jury, we would have found that plaintiff failed to produce sufficient evidence to support its contention that the claimed invention would have been obvious to a person of ordinary skill in the relevant art at the time it was made, in light of the pertinent prior art. By the same token, the Court finds that the jury's determination that the plaintiff in this case failed to present sufficient evidence to show that the claimed invention was obvious is supported by the evidence.

Thus, the district court judge made an exhaustive independent review of the evidence relative to the issue of obvi-

ousness and reached his own independent conclusion that the invention was not obvious and that there was sufficient evidence to support the jury's verdict that the invention of the patent in suit was not obvious.

Petitioner further relies upon *Perkin-Elmer Corp. v. Computervision Corp.*, Appeal No. 83-1195 (CAFC, Slip Op. April 6, 1984, *rehearing denied* May 2, 1984), as another illustration of confusion in the decisions of the CAFC. The sentence quoted by Petitioner:

> To facilitate review of a motion for JNOV and on appeal, it is preferred that a jury be provided with special interrogatories designed to reveal more clearly the findings it made.

(P.12) is followed by the sentence,

> Absent such interrogatories, the law presumes the existence of findings necessary to support the verdict the jury reached.

Perkin-Elmer Corp. v. Computervision Corp., supra at p.8.

Obviously, the *Perkin-Elmer* court does not mandate special interrogatories in patent cases, but sets forth their desirability in order to facilitate judicial review. Such a holding is entirely consistent with the decision in this case and *American Hoist.*

Petitioner also states that in *Perkin-Elmer,* the CAFC engaged in a careful and independent review of the evidence on obviousness (P.12) and no such review of the evidence was performed by the CAFC in the instant case. In *Perkin-Elmer,* the CAFC incorporated a " . . . discussion of the prior art . . . " to illustrate the presence of substantial evidence to support the facts presumably found by the jury. There is no statement or suggestion in the decision that the *Perkin-Elmer* court made an independent review

of the prior art. In the instant case, the CAFC specifically referred to the decision of the district court judge as setting forth " . . . ample evidence favorable to Stucki . . . ". (A-11)

Although the CAFC has been consistent in noting the desirability of *Graham v. John Deere* type special interrogatories, the CAFC has also been consistent in holding that such special interrogatories are not essential in a patent case, albeit the verdict winner at trial may have a heavier burden upon appeal.

Petitioner also does not set forth any applicable federal rule or judicial decision which would, in May/June 1980, require a District Court in the Eastern District of Pennsylvania to submit *Graham v. John Deere* type special interrogatories to a jury. At the time of the liability phase of the trial, May/June 1980, the CAFC was not in existence and obviously had not rendered any decisions. Respondent does not know of any federal rule or Third Circuit decisional rule which required such special interrogatories during the May/June 1980 period. Thus, regardless of whether confusion presently exists between the holdings of the CAFC and the Circuit Courts, no such confusion existed in 1980 with regard to this case. Consequently, no grounds exist to reverse the judgment of the CAFC and there is no need for the "clarification" by this Court as requested by Petitioner.

B. The Presumed Validity of a Patent Under 35 U.S.C. § 282 Is Not Affected Merely Upon the Introduction of Alleged More Pertinent and Uncited Prior Art

Petitioner is requesting that the Supreme Court determine the appropriate burden of proof when one who challenges a patent's validity introduces prior art at trial which the challenger alleges is more pertinent than the prior art cited by the Patent Examiner. Again, Petitioner does not

request any relief once this Court has decided what effect alleged more pertinent prior art has on the presumption of validity. Nor does Petitioner contend that the jury was not properly instructed on the subject or that a different result will be obtained by this Court's resolution of Petitioner's request. Petitioner bases its request on the guidance such a decision will have upon all future patent validity trials (P. 12, 26).

Petitioner perceives (P.26) that this Court's determination of alleged more pertinent prior art *vis-a-vis* the presumption of validity "should also result in a reversal of the judgment in the instant proceeding". However, Petitioner does not set forth why reversal of the judgment of the CAFC or ultimately of the district court will occur based upon the requested consideration. Admittedly, on this point Petitioner agreed with the instructions to the jury (T. 14.23) and it is presumed that the jury followed the instructions and thus Petitioner cannot now complain.

The CAFC has consistently held that the presumption of validity is neither weakened nor destroyed by presenting prior art more pertinent than that considered by the Patent Office. The CAFC has consistently held that more pertinent prior art introduced by a party attacking the validity of a patent is more likely to enable the challenger to carry the burden of proving facts that clearly and convincingly establish a patent's invalidity. Section 282 does not mandate a different interpretation. *American Hoist* at 1360; *Perkin-Elmer, supra*; *Medtronic, Inc. v. Cardiac Pacemakers, Inc.*, 721 F.2d 1563 (CAFC 1983); *SSIH Equipment S.A. v. ITC*, 718 F.2d 365, 218 USPQ 678, 687 (CAFC 1983); *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 218 USPQ 871, 880 (CAFC 1983). Thus, the CAFC in keeping with its Congressional purpose has provided uniformity as to the interrelationship between the pre-

sumption of validity under 35 U.S.C. § 282 and more relevant prior art. On an issue upon which the CAFC has clearly and consistently spoken, there is no conflict to be resolved.

In this case, the jury was instructed that should the jury find that the prior art introduced by Petitioner was more pertinent than the prior art cited by the Patent Office, then the presumption of validity was weakened or overcome. (T.14.123) Thus, Petitioner has already had the benefit which it now seeks.

Further, Petitioner's position is based upon the premise that the prior art introduced by Petitioner was more pertinent than that cited by the Patent Office. The jury's verdict, as noted by the CAFC (A-18), clearly establishes that the prior art introduced by Petitioner was not more pertinent prior art. Consequently, Petitioner is in fact requesting this Court to reevaluate the prior art introduced by Petitioner. Accordingly, the Petitioner has set forth in detail in its Petition a summary and exhibits of selected portions of the prior art introduced by Petitioner to have this Court independently determine that such prior art is more relevant. However, at trial the prior art was examined in detail by experts for both parties, and their testimony was in conflict and had to be resolved. Petitioner has demonstrated no obvious and exceptional error and for this Court to do as requested by Petitioner would be contra to the "two court" rule. *See Beranyi v. Immigration Service*, 385 U.S. 630 (1967).[3]

[3]In a patent case, *Great A.&P. Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147, 152-154 (1950) the Court reiterated that under the "two court" rule, when a matter is contingent upon resolving conflicting testimony, the Court "cannot undertake to review concurrent findings of fact by two courts below in the absence of a very obvious and exceptional showing of error. *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 336 U.S. 271, 276".

Petitioner further states that the presumption of validity cannot apply to an issue not considered by the Patent Office; and, therefore, as to such an issue, Petitioner's burden of proof is by a preponderance of the evidence. This argument relates to Petitioner's contention that the patentee did not set forth the "best mode" as required by 35 U.S.C. § 112. Again, Petitioner sets forth its contentions with respect to the "best mode" evidently for this Court to review and determine that the "best mode" was not described. Once this Court determines that the "best mode" is not described, then the Court is requested to hold that Petitioner was only under a preponderance requirement. As stated previously and as consistently held by the CAFC, the legal burden of proving invalidity is by clear and convincing evidence and evidence of invalidity does not change the effect of the presumption of validity. The presumption of validity is independent of the proofs of invalidity. To hold otherwise would require numerous decisions on the effect of evidence *vis-a-vis* the presumption of validity in specific instances.

C. An Appellant to the CAFC Is Not Entitled to a *De Novo* Review of the Evidence Introduced in the District Court

Petitioner maintains that since the ultimate conclusion of whether an invention is obvious is a matter of law, the CAFC has the duty to make an independent determination of the validity of the patent in suit. Petitioner cites prior holdings of this Court as to obviousness being a matter of law subject to review by an appellate court. Also, Petitioner cites *Union Carbide Corp. v. American Can Company*, 724 F.2d 1567, 1573 (CAFC 1984), and quotes from it the following:

> . . . this court reviews the issue of obviousness as one of law on which it *must* exercise independent judgment . . . [Emphasis added]

(p. 26).

The above quotation is the first part of a sentence which in its entirety states:

> . . . However, since this court reviews the issue of obviousness as one of law on which it must exercise independent judgment, the court must be convinced not only that the decision maker engaged in a faulty analysis in applying the law to the facts, but also that a correct application of the law to those facts would bring a different result . . .

Union Carbide Corp. v. American Can Company, supra at 1573.

Thus, the CAFC has not stated that it must make an independent judgment of the evidence relating to the issue of obviousness (as contended by Petitioner) but that the CAFC will review or reverse decisions when it is convinced that a faulty analysis has been made in applying the law when a correct application of the law would bring a different result.

Here, Petitioner chooses to ignore the issue of credibility of witnesses as to material facts, the jury's verdict and the decision of the District Court and would have the evidence as to obviousness evaluated solely by the CAFC without regard to any aspect of the credibility of live testimony. Petitioner seeks to have the CAFC consider the evidence in the same light as Petitioner contended at trial and which was rejected by both the jury and the District Court. In the instant case the CAFC responded to Petitioner's contention as follows:

> RDI says that because "the issue of obviousness is a legal conclusion, albeit based on evidence in the form of facts", that issue is "fully reviewable by this court *de novo*". The assertion is at best confusing. Every legal conclusion must be based on facts established by evidence. "*De novo*" review means a totally new fact-finding effort.

> We do not sit as fact-finders. Given the facts supported by substantial evidence, we are certainly at liberty, as is the trial court, to say that the jury committed an error of law in reaching its conclusion on obviousness when those facts will not in law support the conclusion. But that is quite another thing from what is desired by RDI.

(A-10)

Petitioner totally ignores the fact that a jury trial is a fundamental constitutional right of a litigant under the Seventh Amendment and that the jury's verdict is sacrosanct unless clearly unsupportable.

In enacting the Federal Courts Improvement Act of 1982, P.L. 97-164, creating the CAFC, comments made in the House of Representatives concerning the use and appointment of technical assistants are illuminating on the intended scope of review of the CAFC in adversary proceedings.

> It is important to understand and appreciate the fundamental difference between the use of technical judges in the ex parte appeals from the Patent and Trademark office which they now consider and a similar type of help for judges who are called upon to resolve technical issues in adversary patent infringement cases of the kind that will now be heard by the Court of Appeals for the Federal Circuit . . .
>
> However, to use these advisers in adversary patent infringement cases and have them review and assess the technical aspects of the evidence, as developed by the sworn testimony of witnesses and as covered by the findings of fact entered by the trial judge, is quite a different matter [from their use in Patent office appeals]. It is well established that factual issues in a patent case must be tried and decided by the trial

judge or a jury in precisely the same manner as such issues are tried in any other kind of a lawsuit. The technical aspects of a patent case are factual issues, and patent cases are reviewed in the circuit courts of appeals in the same manner as with other appeals.

Thus, it is the settled practice of the circuit courts of appeals in patent cases to honor and respect Rule 52(a) F.R.Civ.P., which provides that findings of fact may not be set aside unless clearly erroneous, giving due regard to the opportunity of the trial court to judge the credibility of witnesses. The circuit courts have repeatedly held that it is not their function to pass upon or consider de novo the evidence received at the trial or to weigh controverted evidence. For example, in *Hazeltine Research v. Admiral Corp.*, 183 F. 2d 953 (7th Cir. 1950), the court condemned the practice of briefing and arguing patent appeals in nisi prius proceedings and emphasized that its function "on review is no different than in any other kind of case." Where a case might have gone either way, the Seventh Circuit has said it will not ignore the entered findings and that it is not its function to make an independent analysis and determination of the factual issues is controversy. *O'Brien v. O'Brien,* F.2d 254, 255 (7th Cir. 1953).

H.R. Rep. No. 97-312, 97th Cong., 1st Sess. 37 (1981).

The standard of review that a court must follow in ruling on a motion for judgment notwithstanding the verdict has long been undisputed.[4] The rule is now stated as follows:

[4]It is equally clear that the same standard applies to an appellate court as to a trial court in ruling on a motion for JNOV. *See, e.g., Lovelace v. Sherwin-Williams Co.*, 681 F.2d 230, 237 n.5 (4th Cir. 1982); *Rosenberg v. Trautwein*, 624 F.2d 666, 669 (5th Cir. 1980); *C-Suzanne Beauty Salon, Ltd. v. General Insurance Co. of America*, 574 F.2d 106, 112 n.10 (2d Cir. 1978); 9 C. Wright & A. Miller, *Federal Practice and Procedure:* Civil § 2524 (1971).

> [A court is] bound to view the evidence in the light most favorable to [the non-moving party] and to give it the benefit of all inferences which the evidence fairly supports, even though contrary inferences might reasonably be drawn (*Continental Ore Co. v. Union Carbide & Carbon Corp.*, 370 U.S. 690, 696 (1962).

A prevailing litigant in a jury trial is protected by the Seventh Amendment from appellate redetermination of jury fact-findings and when a case has been tried non-jury in the District Court and that court has made appropriate findings of fact and conclusions of law, the Court of Appeals reviewing the judgment of the District Court is required to follow F.R.C.P., Rule 52(a) and to abide by the findings of the District Court unless clearly erroneous.

The Supreme Court has emphasized the importance in patent cases of respecting the superior perspective of the fact-finder at trial. *See Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 336 U.S. 271 (1949), in which this Court reversed an appellate court for failing to observe Rule 52(a) with respect to facts found by a trial court. As the Court in *Graver* observed, *see* 336 U.S. at 274-75, there is "no type of case" to which the limitations on appellate review of the facts are "more appropriately applicable" than to a patent case, where the facts are illuminated at trial by extensive expert testimony and live demonstrations of the devices at issue.

Here, the credibility of witnesses' testimony was very important. Numerous physical exhibits were explained or commented upon by experts. The direct testimony at trial of one of Petitioner's expert witnesses was pointed out on cross examination to be in direct conflict with a prior statement made under oath, and it was for the jury to resolve what of his testimony was to be believed. In its

decision, the District Court commented upon this evidence as undermining Petitioner's contentions. (A-51)

Accordingly, a *de novo* review of the evidence by the CAFC is totally inconsistent with the standard of review imposed upon the CAFC by the Constitution, the establishment of the CAFC and by the decisions of this Court.

Petitioner suggests that since this Court has not "shied away" from determining that a patent is invalid under the requirements of the patent statutes (P. 29), the Court should not shy away from determining that the patent in suit is obvious under 35 U.S.C. § 103. In order to permit this Court to make its own independent determination, Petitioner has submitted copies of various prior art patents and has colored portions of such prior art to support Petitioner's contention that the prior art "... conclusively proves the claimed invention obvious, thereby rendering the '292 patent invalid" (P.29). However, the coloring of the prior art is in a manner to mislead an observer into believing there is merit to Petitioner's contentions regarding such prior art. Petitioner also contends there is "no substantial evidence" (P.28) to refute the teachings of the prior art as Petitioner construes the prior art. Petitioner also maintained before the CAFC that there was "no evidence favorable to Stucki ... " (A-11). However, a review of the record establishes that the prior art relied upon by Petitioner does not show the claimed invention. The jury undoubtedly found that the evidence did not support Petitioner's contentions and the CAFC specifically noted that "The ample evidence favorable to Stucki [Respondent] is discussed by Judge Broderick at 579 F. Supp. 364-66, 218 USPQ 625-26" (A-11). Thus, Petitioner continues to ignore the disputed evidence and evidence favorable to Respondent to obtain this Court's review of a limited portion of Petitioner's evidence as selected by Petitioner.

The CAFC clearly stated that it did not sit as fact-finders (A-10) and, it if did so, a trial would be unnecessary as all that would be necessary would be for the parties to mail the patent and the prior art to the CAFC and ask for the CAFC's opinion on obviousness (A-11). Similarly, if the Supreme Court is to make a *de novo* review, not only is a trial unnecessary, but the review by the CAFC would be equally unnecessary. Further, if this Court is to make a *de novo* review, then the entire record must be reviewed since such record establishes that Petitioner's contentions as to the prior art are not in fact true.

CONCLUSION

For the foregoing reasons, Petitioner's request should be denied.

Respectfully submitted,

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